Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 EB-11 COME-00 OMB-01 TRSE-00

DOTE-00 SY-10 OPIC-12 AID-20 DRC-01 /186 W ----- 018444

P 032101Z DEC 73

FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 4511

CONFIDENTIAL BUENOS AIRES 8790

E.O. 11652: GDS TAGS: PINS. AR

SUBJ: GOA AND BUSINESS REACTION TO SWINT ASSASSINATION AND DEPARTURE OF FORD EXECUTIVES

- 1. SUMMARY: INTERIOR MINISTER LLAMBI MET WITH AUTO REPRESENTATIVES ON NOV 30 TO ASSURE THEM OF GOA PROTECTION. MEETING WAS OBVIOUSLY HELD AS A RESULT OF PERON'S ORDER, GIVEN IN A CABINET MEETING THAT DAY, TO DO ALL THAT IS NECESSARY TO STOP TERRORISM. AMERICAN BUSINESSMEN UPSET ABOUT RECENT TERRORISM AND THE GOA'S INABILITY (AT LEAST UNTIL NOW) TO COPE WITH IT. END SUMMARY.
- 2. SUBJECT OF TERRORIST ACTS AGAINST FOREIGN BUSINESSMEN CAME UP AT A MEETING WITH AMERICAN BUSINESSMEN AT THE RESIDENCE ON NOV 29, THE FIRST OF A SERIES OF MEETINGS WHICH I HAVE ARRANGED TO INCREASE COMMUNICATION BETWEEN THE AMERICAN BUSINESS COMMUNITY AND THE EMBASSY. COMING LESS THAN A WEEK AFTER THE SWINT ASSASSINATION THE TOPIC OF TERRORIST ACTS WAS THOROUGHLY DISCUSSED. THE BUSINESSMEN INDICATED THAT THEY WERE DISAPPOINTED THAT THE GOA HAD NOT CONDEMNED THE ACT OR GIVEN ANY REASSURANCES OF PROTECTION IN THE FUTURE. ONE BUSINESSMAN SUGGESTED THAT THE EMBASSY EXPRESS THE SERIOUS CONCERN OF THE USG BY PROTESTING TO THE GOA OVER THE SWINT KILLING. THIS LED TO CONSIDERABLE DISCUSSION OVER WHETHER, AND IN WHAT FORM, THE CONFIDENTIAL

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USG SHOULD EXPRESS ITS CONCERN. THE CONCENSUS WHICH EMERGED

WAS TO SUPPORT AN APPROACH BY THE JOINT FOREIGN CHAMBERS TO THE GOA.

- 3. IN A MEETING BETWEEN FONMIN VIGNES AND ME ON ANOTHER SUBJECT THE FOLLOWING DAY, THE ISSUE ALSO CAME UP. VIGNES STATED THAT ECONMIN GELBARD HAD POINTED OUT AT A CABINET MEETING THAT MORNING THAT THE INABILITY TO PROTECT FOREIGN BUSINESSMEN AND THE RESULTING BAD PUBLICITY AND CUTBACK IN FOREIGN INVESTMENT WOULD SERIOUSLY HINDER HIS ECONOMIC PROGRAM. IN RESPONSE, ACCORDING TO VIGNES, PERON HAD EMPHASIZED THAT ALL NECESSARY MEASURES MUST BE TAKEN TO STOP TERRORISM. PERON ALSO REPORTEDLY SAID THAT ACTS OF THIS TYPE MADE NO SENSE IN PRESENT DAY ARGENTINA AND THAT THEY CAN'T BE TOLERATED.
- 4. AS A RESULT OF CABINET MEETING, INTERIOR MIN LLAMBI MET THAT AFTERNOON (NOV 30) WITH REPRESENTATIVES OF THE VARIOUS AUTO MANUFACTURERS AND ASSURED THEM THAT THE GOA WILL PROTECT THEIR LIFE, LIBERTY OF WORK AND SOURCES OF PRODUCTION. LLAMBI ASKED FOR LISTS OF EMPLOYEES WHO SHOULD HAVE PROTECTION AWAY FROM PLANT, AND PROMISED POLICE GUARDS FOR THEM AS WELL AS FOR PRODUCTION FACILITIES THEMSELVES. REPS WERE SOMEWHAT REASSURED BY THESE CONCRETE STEPS AND INDICATIONS OF GOA'S GOOD INTENTIONS.
- 5. THE REACTION OF INDIVIDUAL FIRMS VARIES. SOME BUSINESSMEN HAVE REPORTED PRESSURE FROM THEIR HEADQUARTERS TO PULL OUT AND FEAR ANOTHER SPECTACULAR ACT LIKE THE SWINT KILLIN WILL CAUSE THEM TO DO SO. OTHER COMPANIES INDICATE THEY WILL REACT ONLY IF THEY THEMSELVES RECEIVE THREATS OF A SERIOUS NATURE. FORD MOTOR CO. IS APPARENTLY NOT REASSURED BY LLAMBI AND IS APPARENTLY CONSIDERING SHUTTING DOWN OPERATIONS IN ARGENTINA IF GOA IS NOT FORTHCOMING WITH VISIBLE EVIDENCE OF PROTECTION FROM TERRORIST THREAT (SEE SEPTEL).
- 6. COMMENT: NEITHER PERON NOR THE GOA MADE ANY PUBLIC CONDEMNATORY STATEMENT IN THE WAKE OF THE SWINT ASSASSINATION. THE FORD PULL-OUT, HOWEVER, APPEARS TO HAVE BROUGHT THEM TO THE REALIZATION THAT SUCH ACTS MUST BE STOPPED OR ARGENTINA MAY FIND ITSELF WITH NO FOREIGN INVESTMENT. HOPEFULLY, STRONG MEASURES WILL RESULT. SELF-INTEREST IS MORE EFFECTIVE MOTIVATION THAN MORAL INDIGNATION.

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